

Applicants: Short and Keller  
Application No.: 09/636,778  
Filed: August 11, 2000  
Page 2

**In the claims:**

Please cancel claims 1-53, 56, and 74-155 without prejudice.

Please amend claims 54, 58, 69 and 70 to read as follows:

C 54. (Twice Amended) A method of identifying a molecule derived from a mixed population gene expression library that modulates the activity of a target cell component comprising co-encapsulating a naturally-occurring molecule from the library and a cell expressing a target cell component of interest and a detectable marker, in a microenvironment under conditions that allow the naturally-occurring molecule and the target cell component to interact; and screening the microenvironment to determine the ability of the molecule to modulate activity of the target cell component to produce a change in expression of the detectable marker, wherein the change identifies a molecule that modulates the activity of the target cell component.

C<sup>2</sup> 58. (Twice Amended) The method of claim 54, wherein lack of expression of the marker is detected, indicating that the naturally occurring molecule inhibits the activity of the target cell component.

C<sup>3</sup> 69. (Amended) The method of claim 67, wherein the detectable marker is a fluorescent dye or a visible dye and detection of the fluorescent dye or the visible dye is carried out by fluorometric or spectrophotometric measurement.

70. (Amended) The method of claim 54, wherein the target cell component is a transducing protein.

Applicants: Short and Keller  
Application No.: 09/636,778  
Filed: August 11, 2000  
Page 3

Please add the following new claim:

---

c4 156. (New) The method of claim 54, wherein prior to co-encapsulating, a normalized library is prepared by normalizing a plurality of clones containing naturally occurring DNA from one or more organisms to form a normalized library.

---